



UNIVERSITI TEKNOLOGI MARA

**PROPERTY PUBLIC AUCTION PRACTICE
IN MALAYSIA**

**NORFAIZIE BINTI SIRAN
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**DEPARTMENT OF ESTATE MANAGEMENT
FACULTY OF ARCHITECTURE, PLANNING AND SURVEYING
UNIVERSITI TEKNOLOGI MARA**

PROPERTY PUBLIC AUCTION PRACTICE IN MALAYSIA

**Academic project submitted in partial fulfillment of the requirements for the
award of Bachelor in Estate Management (Honours).**

**NORFAIZIE BINTI SIRAN
2008413404
SEMESTER SEPTEMBER 2011 – JANUARY 2012**

STUDENT'S DECLARATION

Academic Project Title:

PROPERTY PUBLIC AUCTION PRACTICE IN MALAYSIA

I declare that this report is the result of my own research, unless otherwise indicated or acknowledged as referenced work.

In the event that my report be found to violate the conditions mentioned above, I voluntarily waive the right of conferment of degree and agree be subjected to the disciplinary rules and regulations of Universiti Teknologi MARA.

Signature :

Student's Name : NORFAIZIE BINTI SIRAN

Date :

SUPERVISOR'S DECLARATION

Title of Academic Project:

PROPERTY PUBLIC AUCTION PRACTICE IN MALAYSIA

I admit that I had read this report and from my opinion it has fulfilled the requirements and qualified for the purpose of conferment of Degree of Bachelor of Estate Management (Hons).

Signature :

Supervisor's Name : ASSOC. PROF. DR. TING KIEN HWA

Date :

ABSTRACT

Public auction properties are actions when the borrowers default, the lender who is called the chargee, is entitled to foreclose the charge. This means taking the permitted steps provided for in the National Land Code to have the land auctioned off, pay itself the money owed and hand over the difference, if any, to the land owner, whether he is the borrower or a third party. Foreclosure is a process that allows a lender to recover the amount owed on a defaulted loan by selling or taking ownership of the property securing the loan. The foreclosure process begins when a borrower/owner defaults on loan payments and the lender files a public default notice. Therefore, this study has been developed with the aim to identify the objective related to public auction in Malaysia. The study was conducted through structured interview with licensed auctioneer, banker, land administrator and registrar of the court and also through postal questionnaires. The property public auction practice in Malaysia usually conducted by three bodies, Financial Institution, Land Office and Court and each body have their own way procedures and process to dispose the properties auction. Furthermore, each body has their category of land to disposed properties under public auction. This academic to help the layman and licensed auctioneer conduct public property auction. In addition, auctions are commonly associated with reserve prices that are lower than market value. There is no certainty that the reserve price can be secured as others would be bidding for the same property in a popular location. The payment methods are stated in the Proclamation of Sale. But buying an auction property is by no mean easy, there are many things one should look for when buying an auction property. It is hoped that this academic project could clearly explain the public auction conducted by three bodies; Financial Institution, Land Office and Court.